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August 23, 2002

The Honorable Jeffrey W. Runge, M.D.
Administrator
National Highway Traffic Safety Administration
400 Seventh Street, SW
Washington, DC 20590

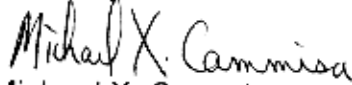
Ref: Docket No. NHTSA-2002-12231
49 CFR Part 541
Federal Motor Vehicle Theft Prevention Standard

Dear Dr. Runge:

The Technical Affairs Committee of the Association of International Automobile Manufacturers, Inc. (AIAM)¹ submits the attached comments in response to the June 26, 2002 Notice of Proposed Rulemaking regarding the Federal Motor Vehicle Theft Prevention Standard.

AIAM appreciates your consideration of our comments. Should you have any questions on this matter, please contact me at 703/247-2105.

Sincerely,


Michael X. Cammisa
Director, Safety

cc: Deborah Mazyck, Office of Planning and Consumer Programs
Dion Casey, Office of Chief Counsel
Docket Management System

¹ AIAM Technical Affairs Committee members are American Honda Motor Co., American Suzuki Motor Corp., Aston Martin Lagonda of North America, Inc., Denso International America, Inc., Hyundai Motor America, Isuzu Motors America, Inc., Kia Motors America, Peugeot Motors of America, Renault, SA, Robert Bosch Corporation, Saab Cars USA, and Subaru of America.



**Comments on the Notice of Proposed Rulemaking by the National Highway
Traffic Safety Administration Regarding Federal Motor Vehicle Theft
Prevention Standard (49 CFR Part 541)**

Docket No. NHTSA-2002-12231

August 23, 2002

The Technical Affairs Committee of the Association of International Automobile Manufacturers, Inc. (AIAM)¹, provides the following comments related to the NHTSA NPRM on the expansion of parts marking requirements to all passenger cars and multipurpose passenger vehicles with a GVWR of 6,000 pounds or less.

AIAM notes that the Attorney General's report does not conclusively demonstrate that expansion of the parts marking requirements will be effective in reducing motor vehicle theft and chop shop operations. The only support for expanded parts marking to inhibit chop shop operations is the presumed deterrent effect from increased arrest and prosecution of chop shop operators and automobile thieves. However, AIAM believes that arrest and prosecution rates are more strongly influenced by factors other than parts marking, specifically application of resources, enforcement incentives, and assistance programs. Regarding reductions in theft rates, the statistical analysis included in the Attorney General's report finds the evidence consistent with the conclusion that parts marking reduces automobile theft, but the size of the effect is uncertain. It can reasonably be assumed that the magnitude of this effect will be even smaller when applying parts marking to lower theft line vehicles, since these vehicles are inherently less desirable to thieves already.

Nonetheless, AIAM recognizes NHTSA's obligation in accordance with the requirements of the Anti Car Theft Act of 1992 to conduct this rulemaking on the basis of the Attorney General's finding that, "the evidence does not support a finding that requiring motor vehicle manufacturers to mark major parts in all motor vehicle lines will not substantially inhibit chop shop operation and motor vehicle thefts" (67 FR 43077) and offers the following comments on specific aspects of the proposed rule and other issues identified in the notice.

Lead-time

AIAM agrees with NHTSA's proposal of September 1, 2005 as the effective date for the new rule as long as no changes are made regarding the performance

¹ AIAM Technical Affairs Committee members are American Honda Motor Co., American Suzuki Motor Corp., Aston Martin Lagonda of North America, Inc., Denso International America, Inc., Hyundai Motor America, Isuzu Motors America, Inc., Kia Motors America, Peugeot Motors of America, Renault, SA, Robert Bosch Corporation, Saab Cars USA, and Subaru of America.

requirements for the parts marking method or to the parts on the vehicle that are required to be marked.

Exemptions for Anti-Theft Devices.

AIAM supports NHTSA's proposal to maintain exemptions for vehicles equipped with anti-theft devices. These devices not only decrease the number of thefts for "joyriding", but make auto theft more difficult, time-consuming and costly for professional thieves as well. The effectiveness of passive immobilizing anti-theft devices is evident in the results of a July 2000 analysis of auto theft data by the Highway Loss Data Institute (HLDI). The HLDI analysis found that overall insurance losses for vehicle theft were reduced an average of approximately 50 percent for vehicles equipped with factory-installed immobilizing anti-theft devices (see attachment).

Small Volume Manufacturers

AIAM suggests that for the purposes of this rule, small volume manufacturers be defined as those with annual sales in the United States of less than 5,000 vehicles. Due to the limited market for their replacement parts, these vehicles are unlikely targets of thieves who would sell parts off of the vehicle.

Permanence of Marking

AIAM is not aware of alternative methods of parts marking that would be more permanent than current markings. AIAM urges NHTSA not to propose any requirements for more permanent markings without first identifying the methods by which this could be accomplished and the associated costs. If other organizations or NHTSA identify other more permanent methods of parts marking, the agency should carefully consider whether such methods could be used without resulting in damage to body parts during the marking process and the ability to incorporate the new marking method into the manufacturing/assembly process.

Marking of Glazing and Air Bags

As NHTSA notes in the preamble to the NPRM (67 FR 43081), vehicle manufacturers opposed subjecting air bags and window glazing to the parts marking requirements in their comments to NHTSA's preliminary version of the 1998 Report to Congress. The problems expressed at that time by vehicle manufactures regarding the labor and logistics to coordinate the assembly of marked glazing or air bags with their respective vehicles are still valid.

HIGHWAY LOSS
DATA INSTITUTE

NEWS RELEASE

July 19, 2000

**THEFT LOSSES DECLINE BY HALF WHEN CARS ARE
EQUIPPED WITH IMMOBILIZING ANTITHEFT DEVICES**

ARLINGTON, VA -- Now that a number of auto manufacturers are installing passive immobilizing antitheft devices in passenger vehicles, thefts of these vehicles are being reduced (an immobilizing device keeps a vehicle from being driven). This is reflected in overall insurance losses for vehicle theft, which have been reduced an average of about 50 percent for vehicles with antitheft devices. The Nissan Maxima provides an example: 1998 models, without factory-installed antitheft devices, had overall theft losses more than seven times the average for all cars, but after standard immobilizing antitheft devices were introduced in 1999s theft losses for the Maxima declined dramatically. These are recent findings from the Highway Loss Data Institute, an affiliate of the Insurance Institute for Highway Safety.

"While the improvement in the Maxima's overall theft loss result is the largest we've seen, it follows a pattern we've observed in the past when General Motors, BMW, and Ford added passive immobilizing antitheft devices as standard equipment," says HLDI senior vice president Kim Hazelbaker.

For hundreds of popular passenger vehicles, the Highway Loss Data Institute computes overall insurance theft loss results (referred to as average loss payments per insured vehicle year), which reflect theft claim frequencies and average insurance payments per claim. Frequencies include both thefts of whole vehicles and thefts of vehicle parts like radios. "Factory-installed antitheft devices are beneficial because they reduce thefts of whole vehicles," Hazelbaker points out. The effects of these devices aren't consistent for all cars, in part because some vehicles are more likely to be targeted by professional thieves, some of whom are able to defeat even the best antitheft devices. Still, factory-installed antitheft devices do a good job of reducing overall theft losses."

Effect of passive immobilizing antitheft devices on theft losses

Vehicle	Body size and type	Model year	Standard factory-installed antitheft device	Number of claims	Claim frequency per 1,000 vehicle years	Average loss payment per claim	Average loss payment per insured vehicle year
Nissan Maxima	Midsize car	1999	yes	112	3.0	\$5,429	\$16
		1998	no	770	7.8	\$14,148	\$110
Ford Ranger 4WD	Small pickup	1999	yes	79	2.0	\$3,784	\$7
		1998	no	137	2.0	\$5,836	\$12
Ford F-150	Large pickup	1999	yes	198	2.3	\$4,278	\$10
		1998	no	786	3.3	\$7,722	\$25
Ford F-150 4WD	Large pickup	1999	yes	88	2.1	\$2,852	\$6
		1998	no	234	2.2	\$6,956	\$15
Chevrolet Venture	Large passenger van	1999	yes	18	0.7	\$3,674	\$3
		1998	no	56	0.8	\$4,598	\$4
All passenger cars		1999			2.2	\$5,484	\$12
		1998			2.5	\$5,895	\$15